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MASSACHUSETTS AND ITS SUPPORT OF THE PUBLIC SCHOOLS

A Report of the

Massachusetts Advisory Council on Education

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MACE Report 1-67

July 31, 1967

Revised

March 1, 1968

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INTRODUCTION

This Report is one of a series commissioned by the Massachusetts Advisory Council on Education to provide an initial assessment of the nature and current level of fiscal support of the public elementary and secondary schools in Massachusetts, and related concerns. These Reports were developed by a group of consultants under the direction of the New England School Development Council. The studies were initiated in May, 1967, to make a small-scale study utilizing available data by mid-summer of 1967 as a basis for more detailed work, over a longer period and utilizing more resources. The assistance of the Research Division of the Massachusetts Department of Education, under Dr. James Baker, was greatly appreciated; it is regretted that a court controversy over the 1967 state-aid allocations prevented the release of that information on the 1966-67 school year. Due to the obvious limitations of time, funds and information available in readily-usable form, these Reports must be viewed as preliminary in nature. They raise numerous questions and issues of public educational and fiscal policy and planning which can only be resolved through study and due consideration by the legislative, executive and professional officials, agencies and institutions involved, and through strong public support.

These Reports are directed at the legislator, official, educator and concerned citizen, and deal as simply as possible with subjects which are often complex and technical. Each presents a Summary of its contents and tentative conclusions or recommendations in the initial pages; the more detailed material follows. Finally, for the student or expert, the technical material, discussion of formulas and procedures, and pertinent tables or lists are presented in Appendices.

It should be emphasized that this Report is of a preliminary nature and should be the basis for the development of longer-term studies of the conditions reported herein and other relevant concerns, and the trends of change in such conditions.

This Report has been written by Professor Joseph Cronin of the Harvard Graduate School of Education and Dr. Robert H. Marden, Director of the BRIDGE Division of the New England School Development Council. Participating in the discussion and development of this Report were Dr. Andre Daniere of the Department of Economics, Harvard University; Dr. James Kelly of Teachers College, Columbia university; Dr. Michael Wilson, Director of New England Education Data Systems of Cambridge; and Dr. Richard Goodman, Executive Secretary of the New England School Development Council.

SUMMARY OF THIS REPORT

This Report presents an overview of the condition of the public schools in Massachusetts at the present time, with particular reference to matching Massachusetts against comparable states. The first topic is the nature of the schools as a system, and some rough measures of their output; it is suggested that while Massachusetts does well on some points, there is room for improvement.

In assessing the financial resources from which the costs of education may be drawn, Massachusetts ranks fairly consistently in the top ten states on standard measures of income.

While Massachusetts ranked only 22nd highest in the nation in respect to total general revenue per capita of its state and local governments, it ranked 16th highest in the level of revenue drawn from its state and local resources, and 6th highest in total state and local tax collections per capita. Thus, the state is relying strongly on its own resources to support its governmental costs.

Property taxes in Massachusetts in Fiscal Year 1965 were the highest in the nation at $192 per capita. Total local tax collections, also $190 per capita, were only fourth highest in the nation, and well below the top states of New York ($214) and California ($211). State taxes in Massachusetts stood at only $128 per capita, 13th in the nation and below the national average of $162.

Consequently as of Fiscal 1965, Massachusetts relied far more heavily on local taxes than on state taxes than most other states, and relied exclusively on the property tax to raise local revenues.

Public school revenue receipts in attendance in Massachusetts in Fiscal Year 1967 were reported as $640 per pupil enrolled in public school, placing it 27th among the fifty states and below the national average of $677. However, if the new state-aid formula had been fully funded, the revenue receipts would have increased to approximately $710, and the state's ranking to 17th highest among the 50 states.

In respect to state and local sharing of local school costs, in Fiscal 1967 the local share in Massachusetts was 65.3% compared with a national average of 53%. The state's share was 27.4%, with the remaining 7.4% being provided by federal funds. This placed Massachusetts only in 38th position so far as state aid to education is concerned, and well below the national average of 39.1%. However, the state's share of such costs has increased dramatically in recent years, and as noted in the concluding part of this report, the true state share is felt to be understated.

In Fiscal Year 1967, the average current expenditure* for each pupil enrolled in Massachusetts public schools was $543, which placed Massachusetts 11th among the 50 states, and well above the national average of $538. This figure is far below that of New York at $845 per pupil, but larger than most other urban states except Connecticut. If the state aid formula had been fully funded, the current expenditure per pupil would have increased to $613, which would have placed Massachusetts 5th highest in the nation.

New Jersey at $644, Connecticut at $614.

* This is defined to include the cost of running the state department of education and the state contribution to teachers retirement fund, and was fully used for schools -- which will not necessarily occur...

Massachusetts expenditures for other public services have tended to rank nationally somewhat above the level of expenditures for the public schools.

Since the state contributes a larger share to the cities and towns in general state aid than it does for "school aid", and since all municipal expenditures come from the same pool of revenue, it is suggested that a percentage of the general state aid to municipalities should be credited as "school aid". If this were done as suggested, the ranking of Massachusetts in respect to state aid to local school costs would have risen from 42nd in Fiscal Year 1967 to 31st at 33.4% of such costs, although still below the national average of 39.9%. If the state-aid program had been fully funded in this same year, the state's ranking would have risen further from 31st to 22nd place nationally at approximately 44.6% of school expenses.

MASSACHUSETTS AND ITS PUBLIC SCHOOLS

Legislators join governors and state board members in making educational policy for each state. Periodically, policy-makers must check to see where their state stands in relation to the efforts and accomplishments of other states. This Report deals with some of the more fundamental questions about support of public elementary and secondary education at the state level:

1. What is the organization and size of the elementary and secondary school system in Massachusetts?
2. What financial resources are available to the state?
3. What is the extent of fiscal support for public schools in Massachusetts?
4. What general educational achievements can be listed for the state?
5. How do expenditures for public education compare with expenditures for other public services in the state?
6. How much does the state government contribute to local school costs?

In a comparative study, the figures for Massachusetts can be examined in contrast to the national average. In addition, Massachusetts is one of the states where more than three-quarters of the total population reside in urban areas--those places with a population of more than 2500. New York, New Jersey, California, and Rhode Island have slightly more than the 82% urban population of Massachusetts; Connecticut, Illinois, Texas, and Utah have slightly less. (1) The comparisons which follow are drawn not only from

the nation as a whole but specifically from these and other urbanized states. This is generally more valid than comparing Massachusetts with the other states of the New England region, since Maine, New Hampshire and Vermont are much less urbanized or industrialized than Massachusetts.

STRUCTURE AND SIZE OF THE MASSACHUSETTS PUBLIC SCHOOLS

In order to appreciate the situation of the public schools in Massachusetts, it is useful to sketch briefly their organization and size. While the general pattern of governmental and school organization no doubt is familiar to most Massachusetts residents, it is quite different from that of most of the country; this is interesting in itself and has significant fiscal effects which are noted below.

Municipal Governments in Massachusetts

Early in the history of the Massachusetts Bay Colony, it was decided that all the settled territory should be allocated to one or another of the settlements or towns. Consequently, there are no parts of Massachusetts which are unincorporated rural areas whose only government is by the county; this is in very marked contrast to the great majority of the other states of the nation. The Massachusetts towns early were established as municipalities, and in the nineteenth century as some of them grew to large size, some towns voted to become cities; there are now 351 municipalities comprising 39 cities and 312 towns.

This pattern of local government has had very important consequences in the organization and control of public schools in Massachusetts, and--as is considered below--in both the actual and presumed extent of state financial aid to local school costs. When the state made its first efforts to ensure that every child should have the opportunity to secure a rudimentary education regardless of his parents' income, it was the town governments

which were charged to establish and maintain schools. While the early laws were for a long period indifferently enforced, this colonial action established a pattern which has persisted throughout Massachusetts history, though somewhat modified in recent decades. Thus, the local public schools are parts of the government of the city or town in which they are located; in educational parlance such schools are "dependent", in contrast to the great majority of school systems in the country which are independent legal entities.* This localist pattern has been modified somewhat in Massachusetts by the gradual development of regional school districts, which are autonomous legal entities comprising the area of two or more towns, and drawing upon each member town for a share of the costs of construction and operation. While a regional district legally may comprehend all grades, only the towns in the southern part of Berkshire County have chosen to so join; the other regional districts provide high school education--in some cases including the junior high school grades--or specialize in vocational and technical education.

As of September 1, 1965--the beginning of the school and fiscal year of 1965-66 for which statistical data is most readily available--there were in Massachusetts 180 wholly independent city and town school systems, 165 more which joined with one or more others in a union to employ a single superintendent but maintained their own school system, 5 towns in the Southern Berkshire Regional District, 38 other regional high schools,

*There has been extended debate as to which form of organization inherently is better, without any final result. Most educators favor independence--a status with which most of them are familiar. However, there are very good schools and very poor schools under each form of organization, and obviously the dependent status of Massachusetts schools has not prevented many of them from attaining substantial success and fame.

The state and federal budget (or fiscal) year runs from July 1st to the next June 30th, and thus coincides with the school year. The municipal fiscal year in Massachusetts runs from January 1st through December 30th--a source of much confusion in explaining local school budgets.

and 8 regional vocational or vocational-technical high schools. The tiny town of Mt. Washington, with a permanent population of less than sixty and only two pupils, has no organized school. (2)

Students

Massachusetts, with ~~1,083,000~~ 1,083,841* public school pupils as of fall, 1966,* is one of the fourteen states with an enrollment of more than a million. (3) This comprises 78.5% of its total school-age population, lower than the United States average of 86.5%, but comparable to the proportion of public school pupils in most of the more urbanized states. (4)

Percentage of Students Attending Public Schools in Other States

Higher % than Massachusetts		Lower % than Massachusetts	
Connecticut	82.6	Illinois	78.3
Minnesota	81.8	New York	77.7
Vermont	81.4	New Hampshire	77.2
New Jersey	79.9	Pennsylvania	76.9
		Rhode Island	73.0

Staff-Pupil Ratios

In 1965 the Massachusetts public schools were staffed by ~~37,295~~ 53,546 professional and ~~15,959~~ 17,083 non-instructional staff members. (5) The state ranked eleventh in the ratio of instructional staff to pupils, but ~~20th~~ 21st in non-instructional staff. This seems to indicate a relatively small number of secretarial, maintenance, and other supporting personnel; the current ratios may be higher due to increased use of teacher aides.

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*This is the beginning of fiscal year 1967, the period of many of the other statistics in this Report. Certain statistics drawn from the National Education Association's annual compendium, Ranking of the States, reflect corrections provided by the NEA's Research Division to the 1967 issue.

* The NEA has revised the number to 1,052,223. See "Estimates of School Statistics, 1967-68" - 35 M.F.A.

THE EDUCATIONAL LEVEL IN MASSACHUSETTS

The level of educational achievement of a state is a very intangible factor which it is difficult to gauge. However, there are several relevant measures for which data are available on a comparable basis for the entire country.

Median School Years Completed

One index of how successful a state has been in extending the benefits of free public education is the median school years completed by persons 25 years of age or older, computed by the U. S. Census Bureau every ten years. The "median years completed" figure in Massachusetts is 11.6, higher than the United States median of 10.6 years. Massachusetts, ranking eleventh in the nation, compares favorably with other industrial states except California and Utah, where "median years completed" exceeds twelve years. For Massachusetts non-whites, as of the 1960 Census, the median school years completed was 10.3, lower than that of whites, but ranking seventh in the nation for non-whites. (6)

Illiteracy Rate

In Massachusetts, the illiteracy rate is 2.2% of the population, the same as in Connecticut and New Jersey, and thus in a three-way tie for 29th lowest in the nation. The United States average illiteracy rate is 2.4%; rates are higher in the southern states and lower in northern New England, where the Vermont rate is only 1.1%. (7)

High School Completion

The extent to which students successfully complete their public school education can be estimated by computing the percentage of students entering the ninth grade who finish twelfth grade four years later.

Massachusetts, with a completion rate of 84.4% which is exactly at the national average, ranks 11th. Most industrial states have comparable percentages of completion (79.9% in Connecticut, 89.5% in California). (8)

Selective Service Aptitude Tests

Another index of educational attainment is the percentage of youths who fail the aptitude test given by the Selective Service officials. In Massachusetts, the percentage of draftees who failed the test was 7.6%, placing Massachusetts 20th lowest in the nation. Connecticut, New York, and New Jersey had higher failure rates than Massachusetts, but Rhode Island (with 7.2%) and Utah (with 3.9%) were lower. The high national average figure of 12.4% failures is largely due to the rejection rates in thirteen southern and border states.

The rejection rate of enlistees is higher than that of draftees because more lower achieving students try to enter military service before being drafted. Between July, 1964, and December, 1965, 17% of Massachusetts 18-year olds seeking to enlist were disqualified for military service as a result of failing the aptitude test, much lower than the U. S. average of 28% but still high enough to place the state 24th in the nation. The failure figure exceeded that of Connecticut, New Jersey, Rhode Island, and Utah, but was less than other urbanized states. (9)

These summaries of illiteracy, drop-out rates, and aptitude test failures certainly do not consitute a total evaluation, but they give some indication of the current level of accomplishment in Massachusetts. It is evident that there is substantial room for improvement, but it should be noted that it will take some time for education improvements in the schools to be reflected in changes of these "end-product" indices.

POTENTIAL REVENUE RESOURCES

Massachusetts, tenth in total resident population (1966) and twelfth in school-age population, ranks ninth in two important measures of personal income. Both total personal income for the state and per capita personal income ~~($3,050)~~ $3,271 are comparatively high. The United States average per capita personal income in 1966 was ~~$2,146~~ $2,963, with rural and southern states usually below the average and the urban states somewhat above that average; Connecticut, with ~~$3,401~~ $3,690, led the nation in per capita personal income. (10)

Between 1956 and 1966, the per capita income in Massachusetts increased ~~50.5%~~ 52.4% more than the national average of ~~46.6%~~ 50% and more than in most other industrial states. (11)

One measure of ability to pay for public schools is personal income per school-age child--that is, those between 5 and 17. In 1966, Massachusetts ranked ~~8th~~ 7th, with ~~$12,634~~ $13,400 per school-age child, compared to the national average of ~~$10,644~~ $11,419. New York, New Jersey, Connecticut, California, ~~and~~ Illinois, and Nevada had slightly greater ability to support education, but Rhode Island, Texas, and Utah had lower average personal income per child. (12)

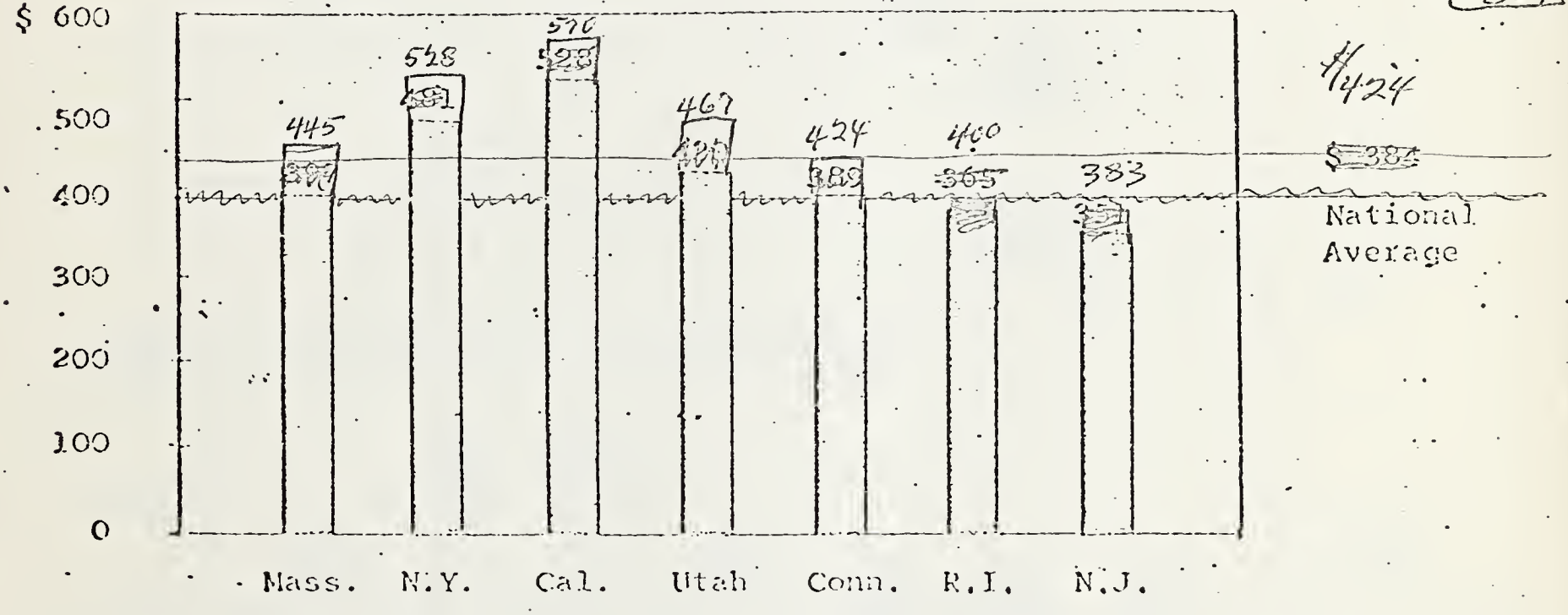
Only ~~13.4%~~ 12% of Massachusetts households had incomes under ~~$2,500~~ $3,000 in 1966, a proportion which was ~~seventh~~ second lowest in the nation and well below the ~~20.1%~~ 21.5% U. S. average. At the same time, ~~25.4%~~ 22.9% of Massachusetts households enjoyed incomes of $10,000 or more, ranking ~~ninth~~ 13th in the nation. (13)

A new revenue resource in Massachusetts is provided by retail sales since the passage of a 3% sales tax, although many basic items--such as food and clothing--are exempt from this limited tax. The state's total volume of retail sales is estimated as very close to being in the top ten states in the nation. Viewed on many dimensions, Massachusetts ranks fairly consistently in the top ten states on standard measures of income.

State and Local Revenue in Massachusetts and Other States

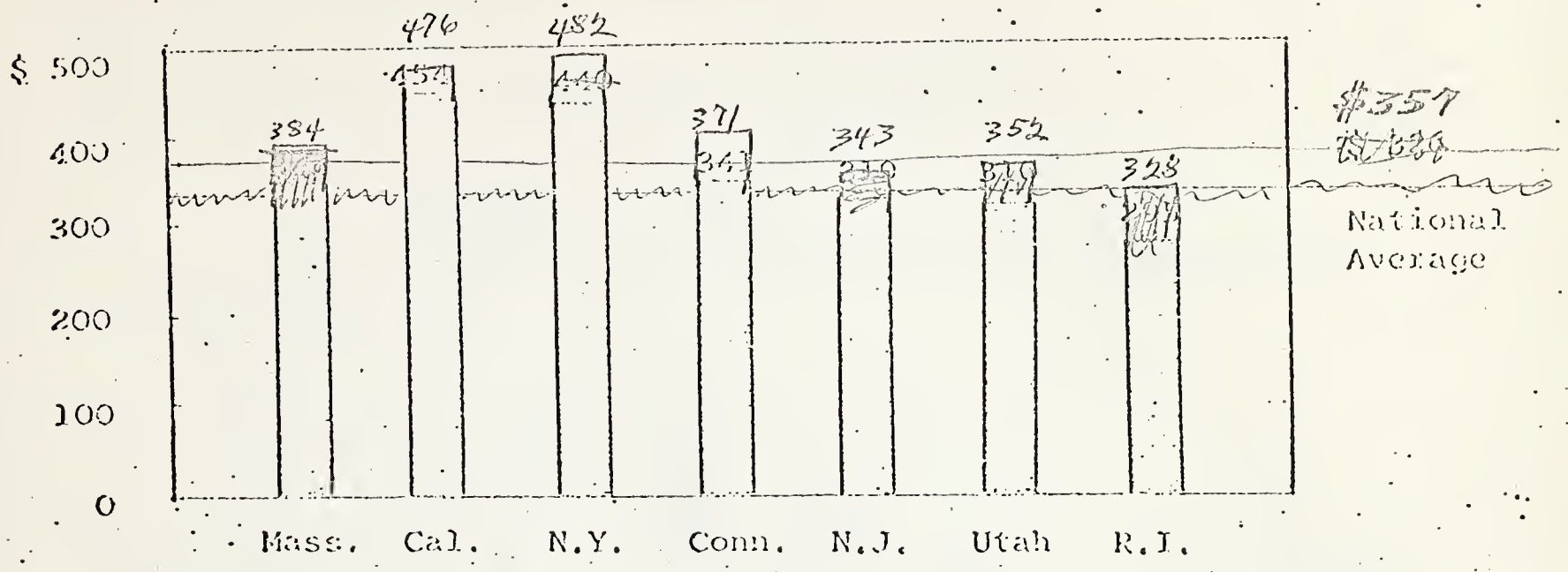
Residents of Massachusetts often express a belief that they pay exhorbitantly high taxes. An analysis of the fiscal facts in comparison with the other forty-nine states shows that in some respects this feeling is justified, while in others the Massachusetts taxpayer has been relatively well off. The analysis which follows is based upon figures for Fiscal Year 1966, which are the most recent available; obviously there have been some changes since that time--most notably in respect to the enactment of a 3% limited sales tax--but there have been changes in many other states as well.

Total General Revenue - Certainly the initial basis for comparing state fiscal conditions is the total amount of revenue which a state and its local governments receive. In this comparison, Massachusetts ranked 22nd highest in the nation with $397 per capita, close to the national average of $384 (14)

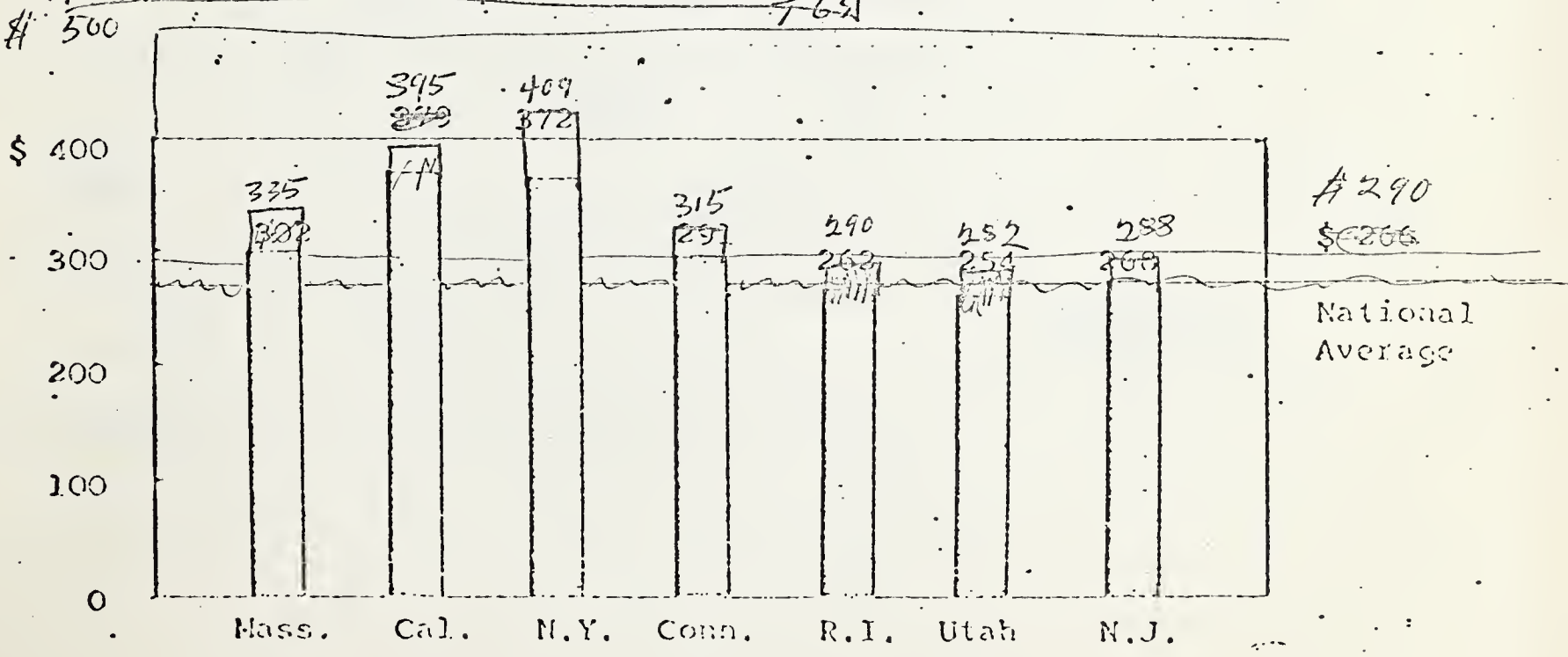


Revenue From Own Sources - For combined state and local revenues from their own sources--excluding federal aid--Massachusetts stood 16th highest among the fifty states, with $347 per capita as compared with a national average of $328 (15) This reflects the fact that thirty-one other states

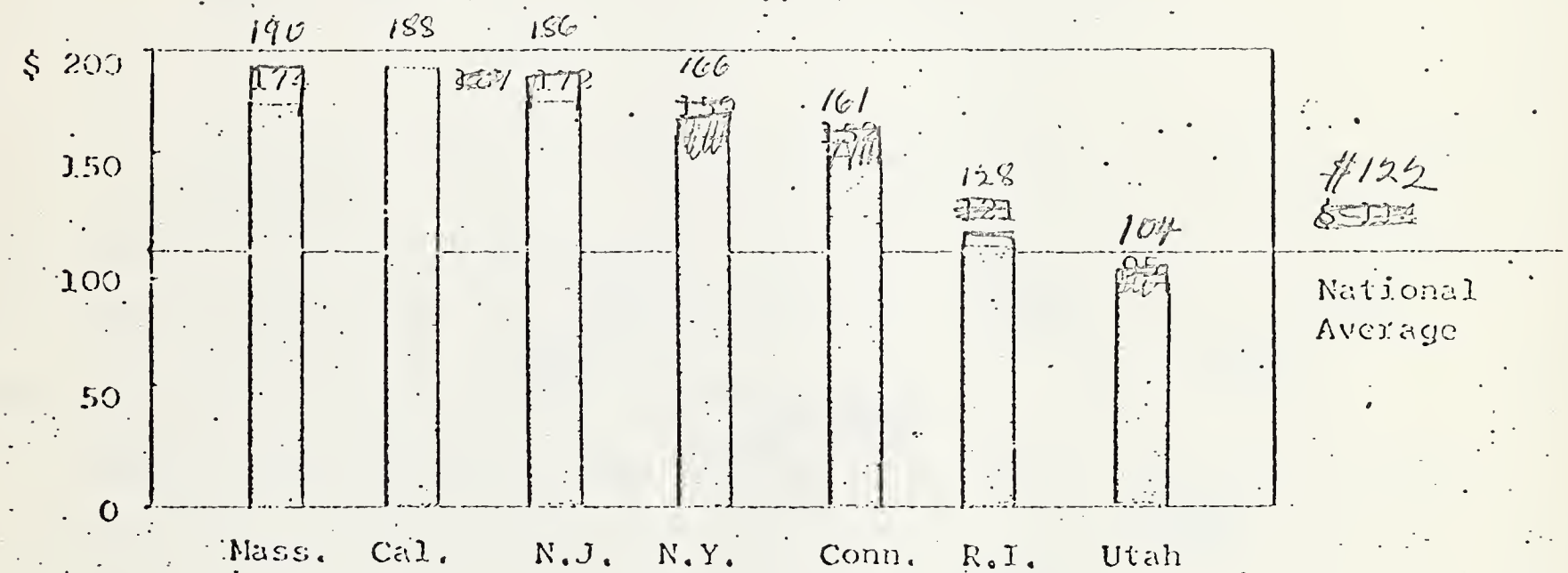
received more federal aid per capita--although not in total amount--than did Massachusetts; most of these were rural states or small in size.



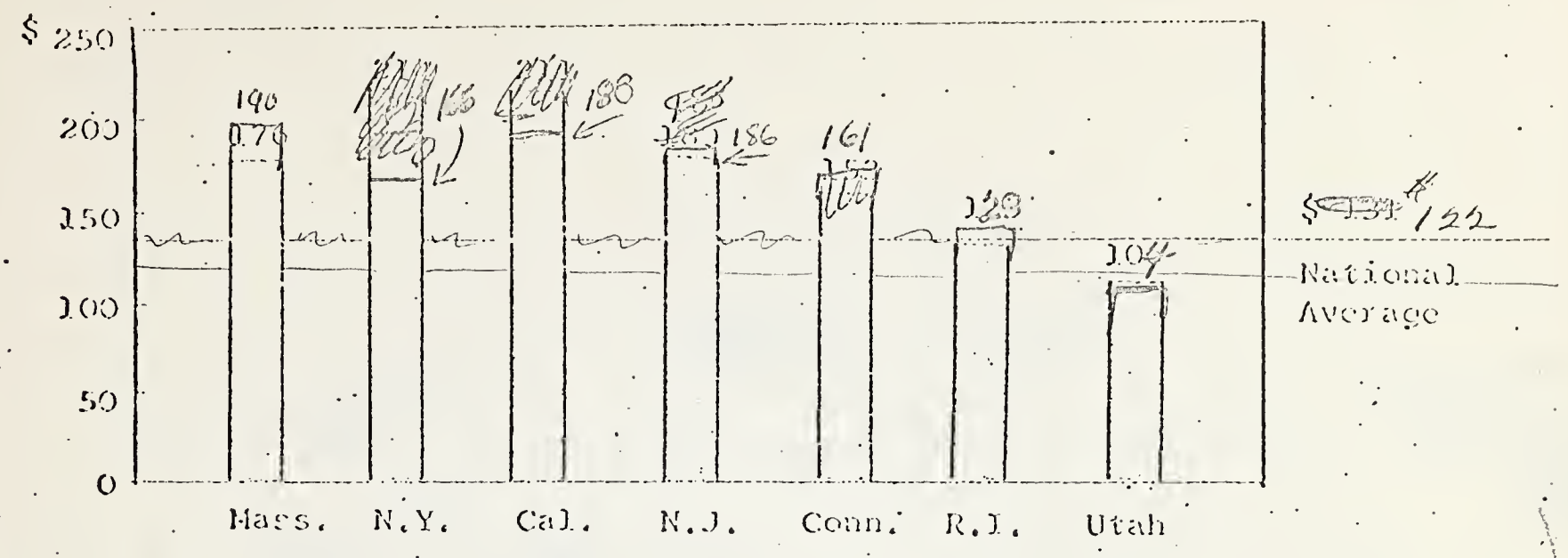
Total Tax Collections - The concern of the average citizen is with the taxes ~~which~~ he pays. In this respect, Massachusetts is considerably closer to the dominant local image, ranking 6th highest in the nation at ~~$302~~ $335 per capita compared with a national average of ~~$266~~ $290. (16) However, this figure was far below those for the two top states of California and New York, and constituted only ~~9.7%~~ 10.2% of personal income per capita--close to the national average of 9.8%--and well below the top level of ~~11.8%~~ 12% of personal income ~~shared by California and Vermont. (17)~~ in Wyoming. (17)



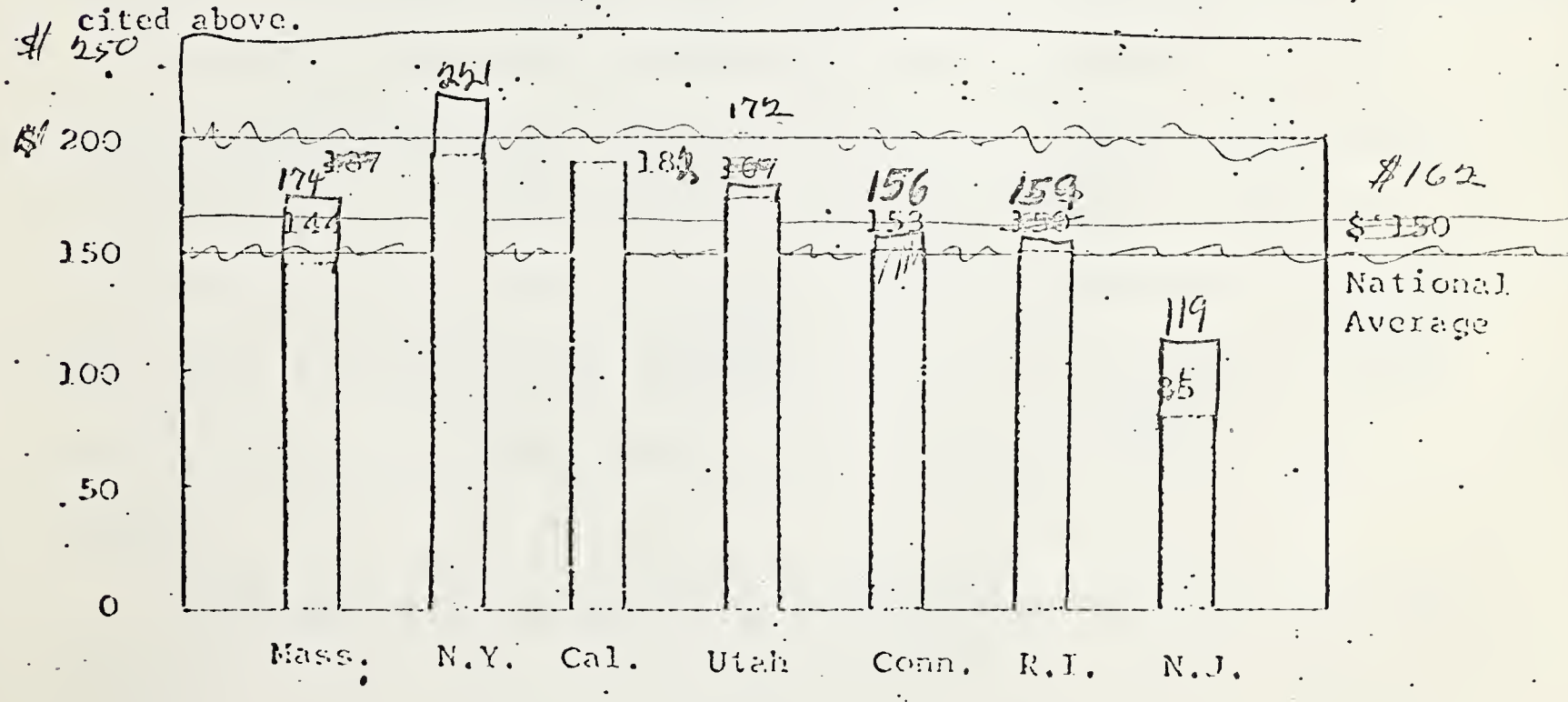
Property Tax Revenue - The property tax in Massachusetts is exclusively a local tax, and is virtually the only source of city and town revenue. It is the primary reason for the feeling of Massachusetts citizens that they are very heavily taxed. ~~In this respect~~ Massachusetts stood ~~second~~ highest in the nation in Fiscal 1966 at ~~$174~~ #190 per capita, compared with a national average of ~~$134~~ #122 per capita (18) ~~and California's top figure of $167 per capita.~~ (18)



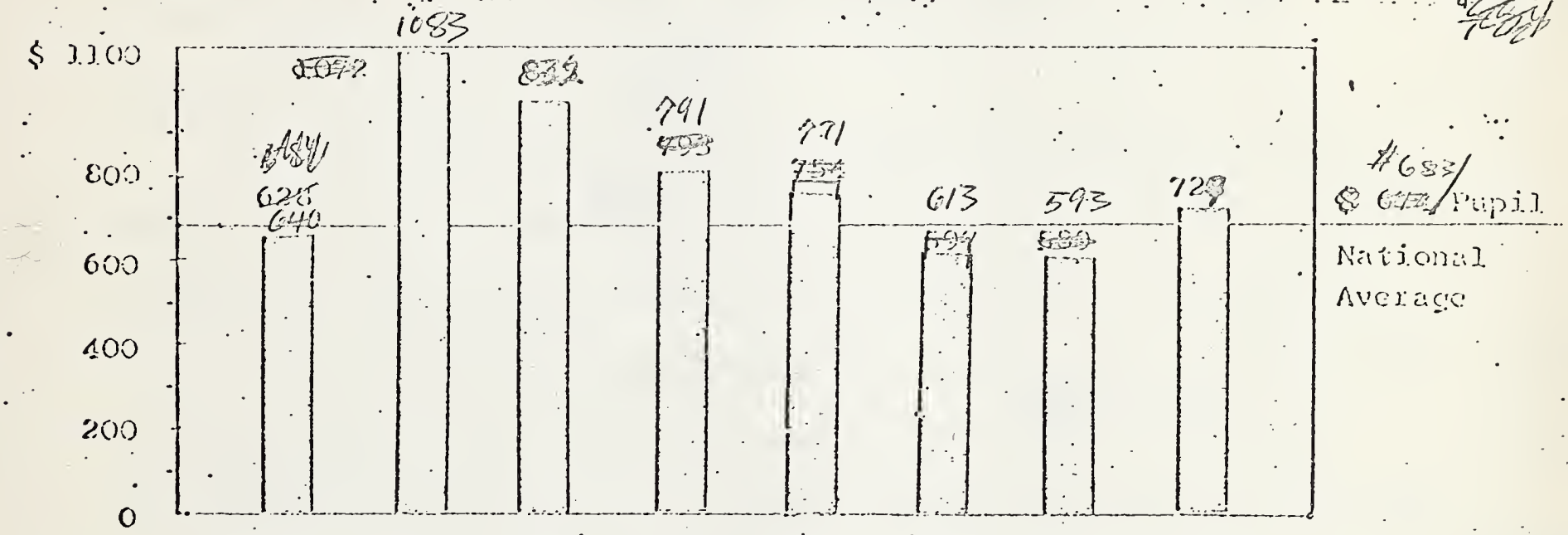
Total Local Tax Collections - Massachusetts has long relied very heavily on local taxes -- primarily city and town taxes rather than county or special district levies---for support of many governmental programs. In Fiscal Year 1966, this state ranked ~~fourth~~ highest in the country in total local taxes with a figure of ~~$176~~ #190, compared with the national average of ~~$131~~ 122 per capita. (19) ~~The Massachusetts figure was well below those of New York and California, and somewhat below that of New Jersey.~~ (19) The fact that ~~all~~ of this #190 is derived from the property tax emphasizes that no ~~slightly~~ alternative taxes have been utilized here, as compared with many other states.



State Taxes - Massachusetts ranked relatively high in per capita local tax collections, as compared with other states, but it stood below that level in state taxation as 18th in the nation at $174 per capita, above the national average of $162 per capita. (20) This was only 5.3% of personal income, ranking a low 37th in the nation. (21) This reflects the predominant reliance upon local taxation to support public activities and services in Massachusetts, so that the high 1st place ranking on local taxation produced the combined state and local tax per capita ranking 6th cited above.



Revenue for Education in Massachusetts in Fiscal 1967 -- One measure of fiscal support provided to the public schools is the total amount of funds devoted to public school costs, including local, state and federal funds for both debt service and operating costs, which are comprehended in the term "public school revenue receipts". In Fiscal Year 1967, Massachusetts was credited with a figure of ~~$640~~ per pupil ~~enrolled~~ in attendance in public school--placing it ~~27th~~ 25th of the 50 states--compared with a national average of ~~$683~~.

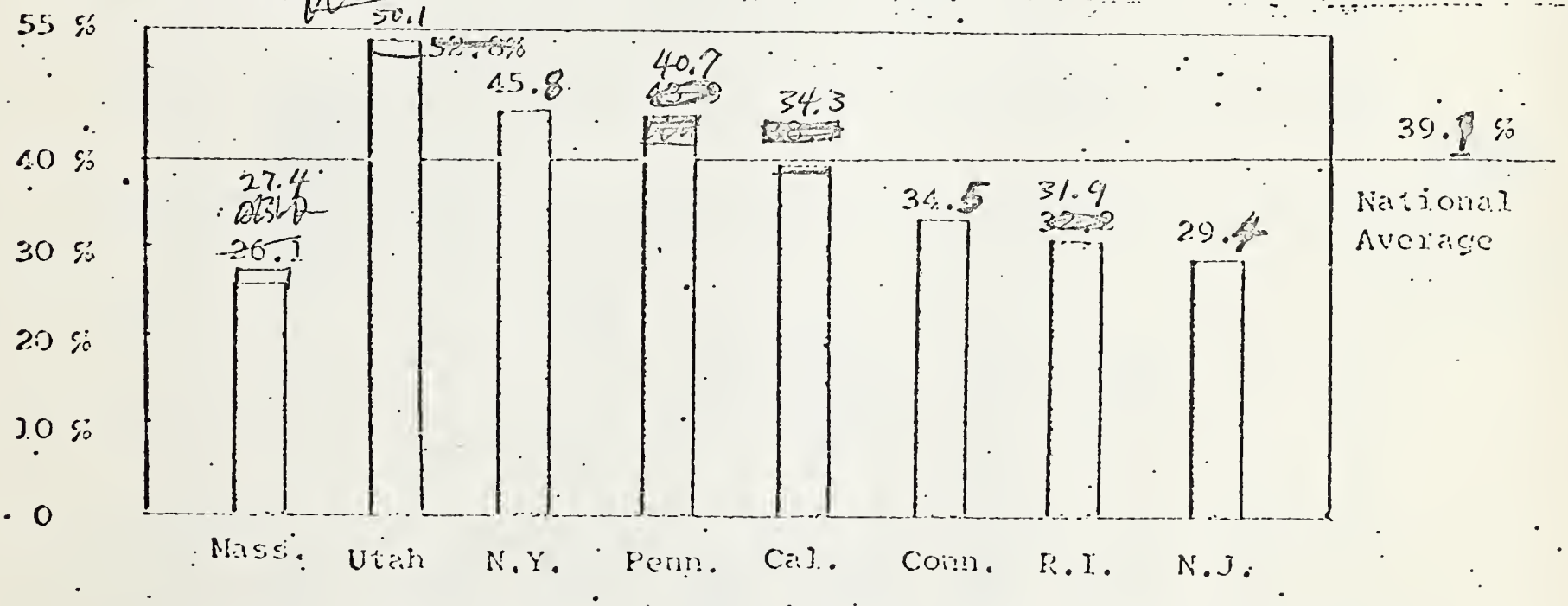


It should be noted, however, that allocations to cities and towns under the new state-aid formula are not being fully paid because of limitations on tax revenue supporting this program---a problem discussed at greater length in MACE Report 3-67. If local expenditures for the public schools remained the same for Fiscal 1967 and there had been full funding of state-aid allocations, this would have increased Massachusetts revenues per public school pupil from the ~~$640~~ cited above to approximately ~~$710~~, raising its rank in public school revenue receipts to ~~17th~~ 14th of the 50 states.

Local and State Sharing of Local School Costs -- Despite substantial expansion of state aid to local school costs in Fiscal 1967 as compared

with earlier years, Massachusetts still paid for 65.3% of local school costs by local taxation, as compared with the national average of 53%. The states vary a great deal in this crucial aspect of paying for the public schools, however; 12 states raised more than 65% of such expenses through local taxation, with Nebraska in first place in this regard at 87.5%. In contrast, nine states raised below 30% of school costs through local taxes, with state and federal assistance providing for the rest. (23)

The designated state aid for local school costs in Massachusetts for Fiscal 1967 stood at only 27.4% of such expenditures, despite the sharp increases in such aid as a consequence of passage of the state sales tax law in 1965 and the dedication of 80% of the revenues from that tax for aid to local school costs.* Based upon this figure of 27.4% Massachusetts stood 38th among the 50 states in the percentage of state funds specifically designated for local school expenditures, compared to a national average of 39.1% (3



*As Table 1 on the following page shows, Massachusetts' total general aid to education jumped in 1966 and it is estimated that it will jump again in 1967. This reflects the inclusion of sales tax revenue for part of 1966, with a full year's revenue in 1967.

As is discussed in the concluding section of this Report, this rating is not entirely fair to Massachusetts, however, since the state provides substantial funds to the cities and towns for any purpose they choose; part of these funds are used for education. The way in which a fairer and more realistic ranking of Massachusetts may be determined, and the consequent effects upon its ranking are discussed at that point.

Federal Aid to Local School Costs -- In Fiscal Year 1967, the Federal Government contributed approximately $53 million toward the cost of operating the public schools in Massachusetts; this constituted 7.4% of total expenditures in the state, and compares with a national average of 7.9% (25). It is considerably higher than that for most urbanized states, and reflects the relatively low level of expenditure for the public schools; federal aid bulks larger the less a state spends. This amounted to about $50 for each pupil enrolled in the public schools of the state, but because of the diverse programs through which these funds were disbursed, the actual figures vary a great deal from one community to another.

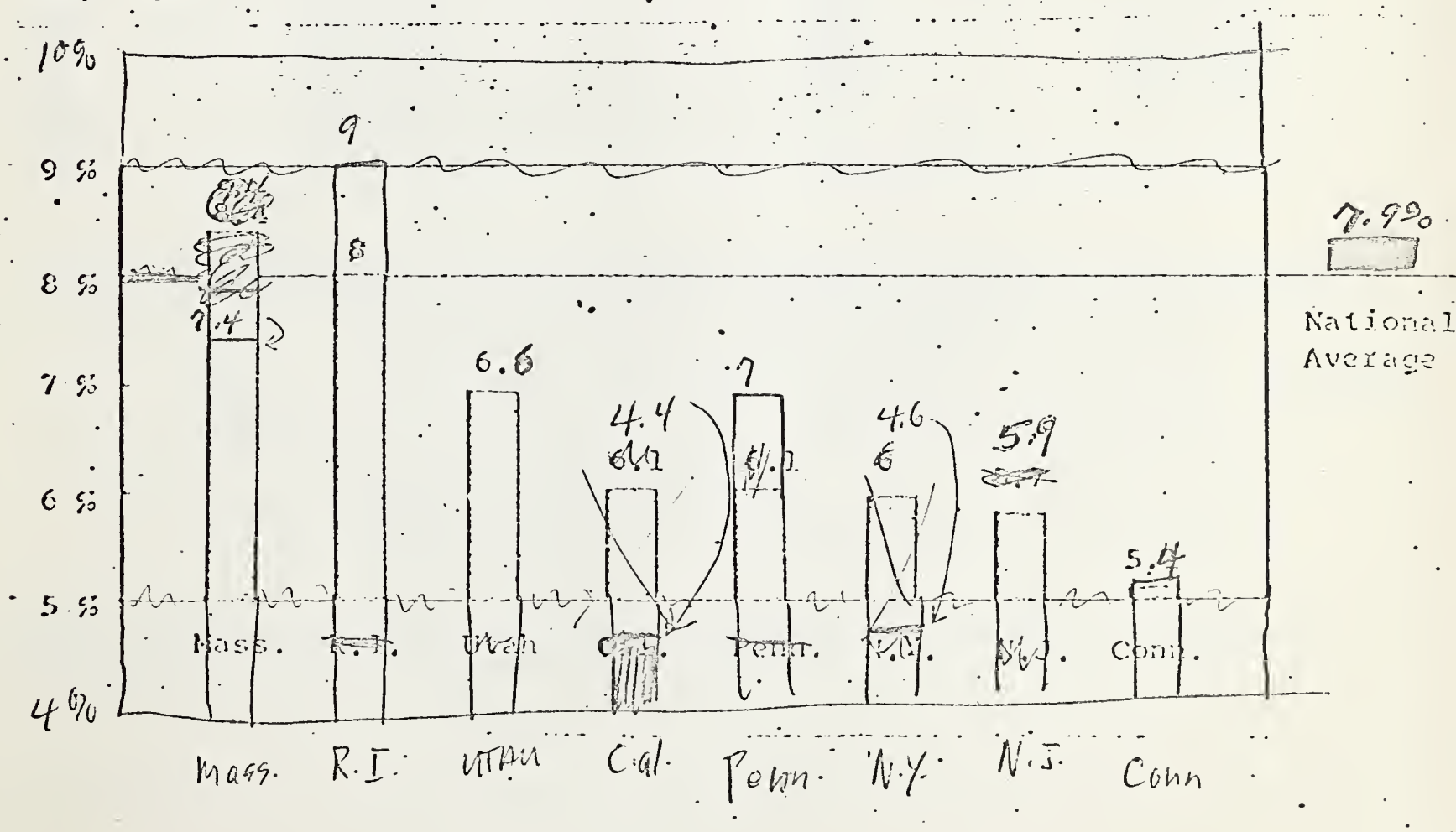


Table 1

MASSACHUSETTS TOTAL GENERAL SCHOOL AID, 1913-1967

1913	$ 228,558	1941	$ 5,590,575
1914	228,758	1942	5,444,446
1915	205,571	1943	5,369,687
1916	202,848	1944	5,211,901
1917	203,365	1945	5,202,079
1918	206,411	1946	5,215,812
1919	3,273,199	1947	5,237,636
1920	4,143,117	1948	5,337,075
1921	4,296,117	1949	15,717,078
1922	4,626,864	1950	16,495,153
1923	4,782,644	1951	18,164,002
1924	4,804,544	1952	19,205,832
1925	5,037,789	1953	20,020,901
1926	5,043,824	1954	21,484,106
1927	5,384,912	1955	24,244,078
1928	5,557,084	1956	26,515,474
1929	5,637,484	1957	26,515,474
1930	5,749,867	1958	28,648,921
1931	5,887,185	1959	30,461,323
1932	6,015,745	1960	32,047,475
1933	6,144,350	1961	33,393,020
1934	6,040,926	1962	35,447,636
1935	5,979,267	1963	40,032,546
1936	5,966,466	1964	38,709,676
1937	5,911,888	1965	40,105,365
1938	5,844,498	1966	56,181,693
1939	5,835,743		
1940	5,761,285	1967 (Estimated)	97,228,919

Source: Annual Report of the Department of Education, Public Document No. 2
except 1942-44 No report published. Totals supplied by Department of Education to Massachusetts Teachers Association,
1965 Department of Education, Division of Research and Statistics,
1966-67 Massachusetts Dept. of Corporation and Taxation.
1913-18 Figures exclude balance unexpended at end of year, generally about $20,000.
1918-48 Figures are the sum of Parts I and II of the General School Funds.

Note: In 1957, the amount calculated was based on the number of children as of October, 1955, as also true in 1956.

CURRENT EXPENDITURES FOR THE PUBLIC SCHOOLS

Expenditures Per Pupil Enrolled

One of the most accurate measures of fiscal effort for the public schools is the amounts which actually were expended---a figure which includes charges for debt service and capital outlay for new schools and the expansion of existing schools. For the Fiscal Year 1967 ~~Estimated Data~~ in Massachusetts the average current expenditures for each public school pupil ~~would be~~ is $543; this placed Massachusetts 19th among the fifty states, and ~~considerably~~ just above the national average of ~~$529~~ $538. ~~New York~~ Alaska led the nation with expenditures of ~~$919~~ $919 per pupil (adjusted), followed by New ~~Jersey~~ York with ~~$845~~ $845, ~~Wyoming~~ New Jersey with ~~$633~~ $690, ~~Alaska (with an expenditure deflated to take account of the particularly high costs in that state) of $621~~, and Connecticut with $644. (26)

Of the other urban states used in preceding comparisons, California (~~$604~~ $604), Pennsylvania ($568), Rhode Island ($568) and ~~Illinois~~ Connecticut ($560) ($644) all were ~~lower~~ higher than Massachusetts. Therefore, the position of Massachusetts is somewhat below these ~~other~~ states ~~is relatively~~ with respect to this crucial statistic than in many other aspects cited above. Furthermore, if the full allocation under the current state aid formula had been paid and if local contributions toward schools had remained constant, this would have increased the current expenditure per public school pupil in Massachusetts to ~~$570~~ $613. This would have raised the state's ranking from ~~20th to 11th~~ 19th to 5th, demonstrating the fiscal effectiveness of the new state aid formula, combined with strong local efforts. The supposed ranking of the assumes no faithful increase in other states, which history shows is not the case.

State-wide, Massachusetts ranks quite well in current expenditures for the public schools, and full funding of the state-aid program would place it high up in the first ten states.*

* The disparity between school districts is another story, dealt with immediately

Teacher Salaries

During 1966-67, the estimated average salary paid instructional staff members in Massachusetts was ~~$7,573~~ $7,350; the average was ~~$7,123~~ $7048 for elementary school teachers and an average of ~~$7,500~~ $7,452 paid to secondary school teachers. Overall, this placed Massachusetts in a tie with Michigan for ~~9th~~ 11th in the nation.

Over the ten-year period ~~1956-57~~ 1957-58 to ~~1966-67~~ 1967-68, Massachusetts salaries for instructional staff rose ~~67.6%~~ 59.8%, ~~a few points higher than~~ just below the national average increase of ~~63.7%~~ 61%. The percentage increase of ~~2.1%~~ 2.6% between 1966-68 and 1967-68 was ranked ~~44th~~ 47th in the nation, below the national average of ~~6.9%~~ 6.6%; in other years, however, Massachusetts salary increases have remained similar to the national trend. (27)

Pupil-Teacher Ratio

Massachusetts teachers, on the average, taught ~~22.1~~ 23.4 pupils per class in 1966, thus ranking ~~sixteenth~~ 24th. The national average was ~~24.6~~ 24.1 pupils per class. Massachusetts pupil-teacher ratio varied little from other East Coast urban states, although lower than Utah and California figures by ~~almost four~~ about three pupils. (28)

School Year

Massachusetts schools are currently in session for 180 days, placing the state 14th in the nation along with seven other states. The national average for length of the school year is 179 days and even Missouri, ranking first nationally, holds school an average of 182.9 days a year. These figures indicates that a current proposal to require Massachusetts schools to meet 185 days a year would place this state first in this category. (29)

EXPENDITURES FOR WELFARE, HEALTH, AND OTHER SERVICES

Historically, investment in education has been considered a way to reduce the level of spending on combatting crime, poverty, and disease. It is useful to determine where Massachusetts ranks in these latter expenditure categories.

The Massachusetts expenditure for public welfare per capita (by local and state government) in ~~1964-65~~ 1965-66 was ~~$46.30~~ #49.25, well above the U. S. average of ~~$32.58~~ #34.50. Massachusetts ranked fifth in the nation in welfare expenditures per capita, well above all other urbanized states except California (#59.65).

The state and local expenditures for health and hospitals in ~~1964-65~~ 1965-66 was ~~$37.24~~ #38.50 per capita, ~~fourth~~ fifth in the nation, compared to the national average of ~~$27.60~~ #30.17. New York alone surpassed Massachusetts among urban states (#50.25).

For police protection, Massachusetts spent ~~$15.34~~ #16.27 per capita in ~~1964-65~~ 1965-66, ranking ~~eighth~~ ninth in the nation, higher than Rhode Island and Connecticut, but lower than New York, New Jersey, and California. The U. S. average for that year was ~~$13.13~~ #14.17 per capita.

Massachusetts ranked highest in per capita fire protection expenditures and ~~5th~~ 44th in per capita expenditure for highways (state and local) in 1965-66 (30)

~~1964-65 (38) 9.5 1965-66 (44)~~

In general, Massachusetts investments in welfare and protection rank higher than those in public elementary and secondary education, although full funding of the state aid formula would tend to eliminate this discrepancy.

A NEW ESTIMATE OF STATE AID TOWARD THE COSTS OF OPERATING LOCAL PUBLIC SCHOOLS

As the preceding section of this report demonstrates, Massachusetts has relied more heavily than many other states on *local* taxation to support its public schools rather than upon *state* financial assistance, despite the early acceptance of the state's basic responsibility for this public service matter. While there have been steady increases in state aid toward local school expenditures in the last two decades--and particularly in the last two years--Massachusetts still is far from approaching the average level of state aid to schools throughout the country, so far as funds earmarked for education are concerned.

However, there has been sharp debate over what might seem a simple question--what proportion of local school operating expense *does* the state of Massachusetts contribute? The annual review of school finance issued by the National Education Association (entitled *Ranking of the States*) has placed Massachusetts in the lowest ten states most years of the last decade; currently it stands as 42nd 38th of the fifty states.

It is the conclusion of this study that while Massachusetts still stands well below the average percentage of state aid for all fifty states, a full consideration of relevant historical and fiscal facts would place Massachusetts 31st rather than 42nd 38th in the 1966-67 school year. Had there been sufficient money that year to permit full funding according to the new state aid formula, Massachusetts would have ranked 22nd highest in the nation.

The reasons for this long-standing discrepancy are partly historical, partly ones of governmental organization, and partly the results of state and municipal assumption of certain functions usually performed by school

systems. The historical basis for the situation of the public schools as parts of town and city governments were described above. This resulted in their condition of fiscal dependency with a consequent reliance upon the total pool of municipal revenues; the implication of this point in estimating the true extent of state aid to education is developed below. Finally, the dependent situation of the local schools has one advantage in that municipal authorities provide certain services which would normally be charged to the schools if they were organized in independent school districts; these include issuance of bonds and management of school debts, provision of legal services, and--in some communities--maintenance of school buildings and grounds. It is impossible to place a precise dollar value on such services but they are a distinct fiscal benefit, although sometimes the source of other difficulties.

The primary concern here, however, is with the very substantial amount of state financial aid distributed to the cities and towns for whatever purposes they choose--in other words, "block" grants rather than "categorical" grants. The consideration of how this money is allocated and its relation to the state-aid-to-education distribution is contained in MACE Report 3-67. This general state aid is very substantial; in fiscal 1966 it was $91.1 million and it is estimated that in fiscal 1967 it rose to $167.2 million, due to the inclusion of .20 percent of a full year's collection of the sales tax, and a substantial increase in the income tax yield.

Because of the fiscally dependent status of the local public schools, school costs are merely one component of total municipal expenditure--though in many cases the largest one. To the extent such costs are not met by specific grants of state, federal or other funds, they must be supported by the proceeds of local taxation. Since a dollar of general

(valuation distribution)

state aid is just as effective in reducing the local tax levy as a dollar of "school aid", ~~it is the contention of this study that~~ an appropriate share of this distribution is and applied to the local school tax rate. ~~general state aid should be~~ counted as part of "state aid to education". For a given community, a fair share would be the same percentage of general state aid that the local school operating budget is of the total local operating budget. ~~(Capital outlay is omitted from consideration because there are special state aid programs for this aspect of local school expense.)~~ For the state as a whole, the estimate of this "hidden" state aid would be the percentage which school operating costs constitute of all municipal operating costs. This figure would then be added to the total of the specific programs for such aid.

A simplified example of this calculation for a particular community is set forth as follows:

Total municipal operating budget:	$1,000,000	
School operating costs:	500,000	= 50% of local budget
Specific state aid to municipal expense for education:	100,000	= 20% of school budget
State aid to general municipal costs through the valuation distribution:	200,000	
Since 50% of the local operating budget is devoted to school operating costs, 50% of this general state aid to municipal costs should be credited as "de facto" state aid to education:	100,000	

Total "state aid to local school operating costs:

$100,000 specific state aid to education

100,000 allocation of general state aid to municipal costs

$200,000 total aid to local school operating costs, or 40% of such costs.

If this argument is generalized for the entire state, in the fiscal year 1967, it is estimated that the state distributed $167.6 million to cities and towns for general purposes—an amount derived from shares of the state income tax, corporations tax, sales tax, meals tax and cigarette tax. School costs were—very approximately—35% of municipal expenditures.* Consequently $59 million of this general state aid for municipal expenditures ought to be counted as effective state aid to education. When this amount is added to the $164.5 million which the state is credited with providing toward local schools costs in the NEA's revised 1967 report, this totals $224.2 million of state aid. This amount is 33.4% of the total estimated expenditures for local schools in Massachusetts in Fiscal Year 1967.

This calculation of the amount of state ~~aid to local school expenditures~~ its share of public education in Massachusetts would raise the state's ranking among the fifty states from 42nd to 31st, although still short of the national average percentage for state aid of 40%.

However, it has been noted above that the new state-aid-to-education formula has not been fully funded as yet because there has not been sufficient revenue from the dedicated sources to provide the full allocations to each city and town. In Fiscal Year 1967, the estimated state aid distribution of approximately $97 million was $76 million less than the state aid allocations. If this amount had been added to the amount of $224.2 million set forth above (and assuming that local school expenditures remained the same), this would have provided a total of $300.2 millions, which would have constituted 44.6% of local school expenditures.

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*Figures on some factors involved are not yet available; this calculation should be considered only a first approximation of the actual situation, primarily of use as an example of the method.

Full funding of the present state aid program, added to the revised definition of state aid to education in Massachusetts, would have raised the standing of Massachusetts from its current ranking of 42nd in the nation to 22nd place, above the national average of 39.9%. The new state-aid-to-education formula---when fully funded---combined with a fair allocation of general state aid to municipalities would enable a dramatic improvement in the ranking of Massachusetts among the fifty states.

NOTES

(1) National Education Association, Rankings of the States, 1968 (Washington, D. C., The Association, 1968.) p. 10.

(2) Educational Directory, 1966, Massachusetts Department of Education.

(3) NEA, Rankings, p. 12.

(4) Ibid., p. 14.

(5) Ibid., p. 19.

(6) Ibid., p. 27.

(7) Ibid.

(8) Ibid., p. 28.

(9) Ibid.

(10) Ibid., p. 30.

(11) Ibid., p. 31.

(12) Ibid.

(13) Ibid., pp 33, 34.

(14) Ibid., p. 36.

(15) Ibid.

(16) Ibid., p. 37.

(17) Ibid.

(18) Ibid., p. 38

(19) Ibid., p. 40.

(20) Ibid., p. 39.

(21) Ibid., p. 40.

(22) Ibid., p. 43.

(23) Ibid., p. 44

(24) Ibid., p. 45.